

# Market News

Texas Natural Resource Conservation Commission, Recycling Market Development Program

## 1995: Record Year for Paper

Many of the nation's large pulp and paper producers reported record earnings for 1995, and companies with paper production and recycling operations in Texas saw the same strong performances. Champion International's paper division reported a 1995 fourth quarter income of \$367 million compared to \$113 million a year ago. Chairman and CEO Andrew C. Sigler said, "Our mills ran exceptionally well all year and many set new production records." Weyerhaeuser Co. reported net sales for 1995 were up 13 percent over 1994. Rock-Tenn Co. reports that sales for the quarter ending December 31 were \$219.4 million compared with \$192.1 million the previous period. Willamette Industries, Inc. reported sales were up 29 percent.

Although reporting strong performances, industry leaders indicate a softening market. Jefferson Smurfit Corp. said fourth quarter net income more than doubled 1994's fourth quarter, but chairman James E. Terrill said overall demand for packaging wasn't nearly as strong as the previous year.

Clearly 1995 performances were strong around the nation and in Texas, but companies anticipate a softer market in 1996. Markets are not expected to reach the same record highs of '95 due to a low demand for finished products and large recovered paper inventories at mills.

## Glass Manufacturer Closing

Anchor Container Glass Corp., a U.S. subsidiary of Monterrey, Nuevo Leon, Mexico based Vitro S.A., recently announced that it will close its Houston plant. The closure is the latest of several Anchor


plant shutdowns across the country. The Anchor plant opened in 1962 and employs 350 workers. The closing was scheduled for January 31, 1996, but recently it was extended and no final closing date has been set. According to Waste News, the closure of the Houston facility is directly related to Anchor's loss of a contract with Anheuser-Busch Co., Inc. and an estimated \$11 million needed in facility improvements. The Anheuser-Bush bottling plant was Anchor's leading bottle customer in the area.

The effect of the closing on glass markets in Texas is not yet known, but certainly, losing a major end-market like Anchor will not improve the already difficult task of recycling glass containers. The closing should be softened somewhat by the fact that Strategic Materials Inc. (formerly Allwaste Recycling), processes glass for Anchor at an adjacent facility. Since Strategic Materials, and not Anchor, has been the purchaser from cities and other recycling collectors and processors in the region, it appears that the regional market for glass will remain, although the price may suffer. As the nation's largest glass processor, Strategic Materials has other outlets for glass processed in Houston; however, the cost of transporting the glass will certainly become a factor in the price that Strategic Materials will pay in the Houston area. Strategic Materials supplies furnace-ready cullet for the Foster-Forbes glass plant in Waxahachie, as well as other non-container glass markets in the state. The largest glass container manufacturer in the state, Owens-Brockway in Waco, continues to process its own cullet purchased directly from recycling collectors and processors.

The City of Houston collects 2,000 tons of glass cullet per year through curbside and drop-off programs. Stressing that the City of Houston and other customers should not panic, Curt Bucey, Strategic Materials vice president of sales and new market development, says, "There is more than enough demand for the material. We don't know what the long-term effect will be on pricing, but there is a home for the glass."

*Market News is produced by the TNRCC Recycling Market Development Program. For more information about items in this newsletter, contact us at 512/239-6750.*

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 Printed on recycled paper.

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## ETC

Some paper recyclers are feeling the pinch of lower prices and scaling back operations. **Weyerhaeuser Recycling** acquired a number of recycling facilities in 1995, but recently announced staff reductions in response to market conditions. The reductions will affect staff at facilities in **San Antonio, Grand Prairie, and Carrollton**...Other recyclers continue to expand...**Balcones Recycling** has completed a \$3 million construction project for a new 100,000 sq. ft. paper processing facility in Farmers Branch. The new facility, which will be the base for Balcones' **Dallas** operations, will give the company the capacity to recycle about 10,000 tons of paper per month. Balcones also operates a facility in Austin and recently purchased a recycling operation in Little Rock. For more information about the new Dallas facility call 214/638-2471... **Champion Recycling** continues to expand its **Paper Retriever** and **Full-Circle Recycler** programs in the state, with **San Antonio** being the newest site. Champion began siting containers initially in **Houston** and expanded to the **Dallas-Fort Worth** area last year. Champion Paper Retriever program, a community drop-off recycling initiative offers fundraising incentives for schools and other organizations involved. Champion also offers businesses and offices the opportunity to recycle through the Full Circle Recycler program. Champion will process material collected in San Antonio at its new facility at 5008 Space Center Drive. Champion uses the newspaper it collects throughout the state at its deinking mill near Houston and office papers will be used at other Champion mills, including a new deinking mill in Alabama. For more information call 800/874-1301...**Ted Hazen** recently joined the **TNRCC CLEAN TEXAS 2000 Program**. Hazen had previously assisted with the Buy Recycled campaign of the **Texas General Land Office**. He can be reached at 512/239-3161...The keynote speaker for the **Buying into the Loop Conference and Trade Show** will be **National Recycling Coalition Executive Director Marsha Rhea**. The Conference will be held at the Dallas Convention Center on March 19-20. Call 800/367-8272 for more information...Paper grades listed in **Texas Market Prices** are the most common grades of recovered paper, but

## Texas Market Prices

(for the week of February 12, 1996)

Material		Processor Price	End-User Price
Aluminum	UBC (cans)	\$0.30 - 0.42/lb ↓	\$0.58 - 0.61/lb —
Glass	Flint	0 - 30/ton —	50 - 57/ton —
	Amber	0 - 25/ton ↓	40 - 59/ton —
	Green	0 - 10/ton ↓	15/ton —
Paper	OCC (cardboard)	15 - 40/ton ↑	60 - 75/ton —
	ONP (newspaper)	5 - 30/ton ↑	25 - 40/ton —
	White Ledger	60 - 100/ton —	150 - 170/ton ↑
	Mixed Paper	0 - 4/ton —	15 - 20/ton —
	Mixed Office Ledger	20 - 60/ton —	50 - 100/ton —
	Computer Print-out	140 - 190/ton —	220 - 250/ton —
Plastic	PET (mixed colors)	0 —	.13/lb ↓
	HDPE (natural)	0 —	0.08 - 0.09/lb ↑
	HDPE (mixed colors)	0 —	0.05 - 0.06/lb —
Steel	Steel Cans	0 - 30/ton —	98/ton ↓

The prices listed above are compiled by the TNRCC Recycling Market Development Program and are for reference only. These prices are not firm quotes. TNRCC obtained pricing information from buyers within each category and developed a pricing range. "Processors" include dealers, brokers, scrap yards and collection centers; whereas, "end-users" include mills and plants. Processor prices are for delivered material in metropolitan areas of the state and do not reflect the value of any collection services. End-user prices, except for glass, are for baled material in truckload quantity, f.o.b. seller's dock. The difference between processor and end-user prices is indicative of the value added by separating, baling or otherwise preparing materials to meet end-market specifications. Actual prices paid by end-users will depend on quality, quantity and transportation requirements. Arrows indicate direction of change from previous month.

may not match exactly with the grades of specific processors or mills. We only list one grade for **ONP** (newspaper), when in fact there are several different mill grades, depending on whether or not inserts are included and other factors. The same is true for what we call **Mixed Office Ledger**. Different mills have names for grades such as **Mixed Office Waste, Sorted Office Paper, and Office Pack**, which are grouped together under one category.

